HOHOKAM

The Power of Choice

January 24, 2005

Mr. J. Tyler Carlson Regional Manager – Desert Southwest Region Western Area Power Administration Post Office Box 6457. Phoenix, Arizona 85005-6457

Re:

Comments on Parker-Davis Project - Post 2008

Resource Pool Procedures and Supplement to Application

For an Allocation

Dear Mr. Carlson:

The Hohokam Irrigation and Drainage District, Pinal County, Arizona, (District) is an entity, which owns and operates an electric distribution utility system with utility responsibility and which was organized and exists under Title 48 of the laws and the Constitution of the State of Arizona.

The District believes it is a preference entity under the Reclamation Projects Act of 1939, as amended and supplemented and therefore a qualified applicant under the General Eligibility Criteria in Paragraph II of the Federal Register Notice published on October 1, 2004, concerning the Post 2008 marketing of the Parker-Davis Project resource pool. The District owns and, with an agent, has operated its own electric utility system since 1997. The District is applying for an allocation of two (2) megawatts of Parker-Davis power and energy.

The District agrees with the priority, established in Paragraphs II B and III C 1 of the Federal Register Notice, wherein applicants who do not have a contract with Western for Federal power resources or are not a member of a parent entity that has a contract with Western for Federal power resources, will be given first consideration. The District believes this approach follows Western's tradition of marketing power in a manner which encourages its most widespread use, following Federal Reclamation Law and the District would urge no change be made to those portions of the General Allocation Criteria or General Eligibility Criteria.

Concerning Paragraph III E, the District believes that Western should exercise its discretion under Federal Reclamation Law, as described in Paragraph III A of the Federal Register Notice and take known circumstances in the year 2004 into consideration. This should be construed to mean, where an entity demonstrates a 2004 actual need, Western should be allowed to take this into consideration. The District, experienced great load growth between 2003 and 2004 and believes the 2004 values are more meaningful in determining an appropriate allocation. The 2003 data is not fully-reflective of the District's actual current need for two (2) mw of Parker Davis resources and the District now has customer contracts that promise to more than double its demand within the next couple years.

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Concerning Paragraph IV General Contract Principles, except for the following, the District believes those are acceptable.

- a. Payment in Advance: It should be clearly stated in the Contract that any payment in advance will be payment of the monthly power bills no more than two (2) months in advance, as it has been explained in recent public comment meetings. The District recognizes that currently some Parker-Davis contracts already require payment in advance, but the language of the contract should be clarified.
- b. General Power Contract Provisions: Concerning the GPCPs and standard provisions in the P-DP contracts, particularly the concept of Section 12 in the proposed Parker-Davis Contract, those provisions should be worded so that it is clear that, before taking away or reducing any allocation or any power, the contractor has sufficient notice, opportunity to comment and participate in a discussion, and has an opportunity to cure any defects and to exhaust any appeals before losing any power resource then under contract.

Thank you for this opportunity comment and to submit our application for post – 2008 Parker Davis Project resources.

Sineerely,

Manager

Application Enclosed